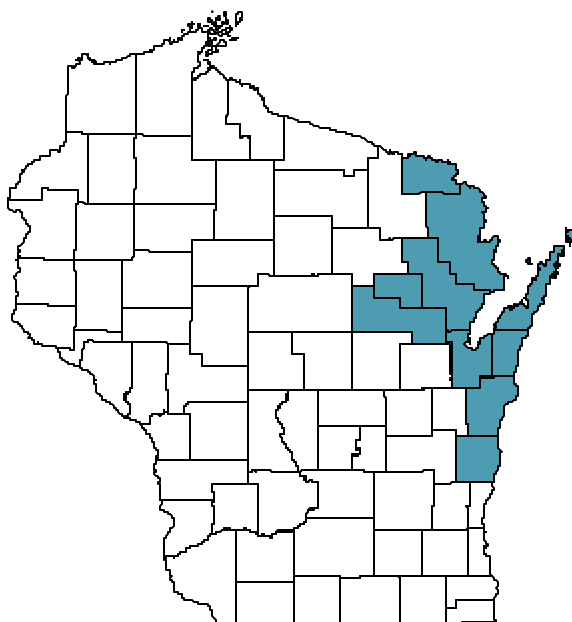


Workforce Development Area Profile

Bay Area

Brown, Door, Florence, Kewaunee, Manitowoc, Marinette, Menominee, Oconto, Shawano, and Sheboygan Counties



The labor market is a constant ebb and flow of supply and demand. Too little demand for workers creates too much supply and unemployment increases. But too little supply of workers means job vacancies and lack of employment growth.

Every Workforce Development Area in the state should anticipate a tight labor supply condition by the end of the next decade. Planners in each area must understand the unique set of employment characteristics in their region to develop a strategy to meet a future where demand will exceed supply.

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State of Wisconsin
Department of Workforce Development

January 2003



- The Demand for Workers -

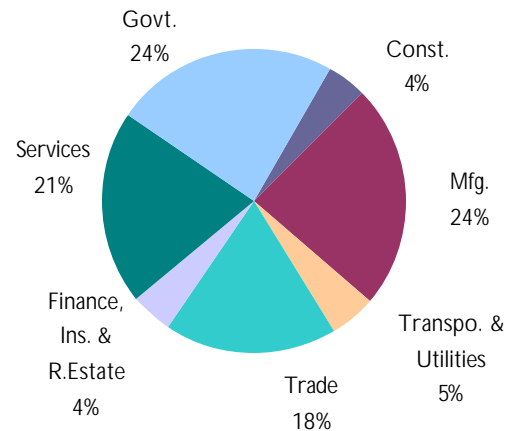
Bay Area WDA Employment

While manufacturing has continued to grow in the Bay Area, the growth rate is considerably less than that of other industries. During the economic downturn that started during late 2000, the manufacturing sector has suffered the largest loss of jobs of any of the employment sectors in the Bay Area.

Although the growth rate for manufacturing has been lower than other industries, in 2001 manufacturing remained as the largest employment sector in the Bay Area with 24 percent of the workers, tied with government.

The high percent of government workers included tribal owned enterprises in the area. This would include employment at casinos, hotels, retail establishment and all other tribal enterprises in the region. Close behind manufacturing employment is the service industry. If the current classification system was based on output rather than ownership, employees such as those in the casinos, would be in the service sector, truly changing how we

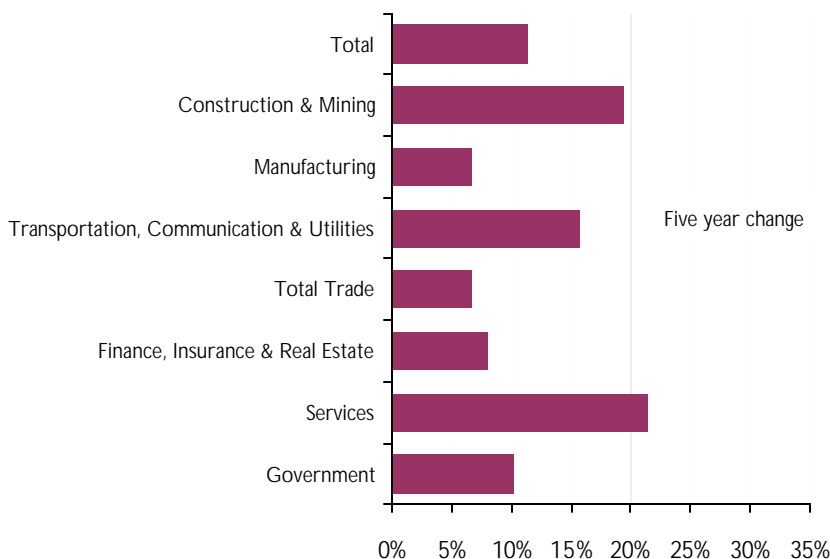
Bay Area WDA Industry Distribution: 2001



Source: WI DWD, Nonfarm wage and salary estimates, revised March 2002

analyze employment levels by industry. Some of this will change with the first data release for January data when we go to the new North Atlantic Industrial Classification System (NAICS) discussed on page two.

Bay Area Workforce Development Area
Employment Change by Industry Division: 1996 to 2001



Source: WI DWD, Nonfarm wage and salary estimates, revised March 2002

Although construction only makes up four percent of the employment in the area, which is close to the national average, employment in this sector is a good indicator of economic health in the area. Wages in this sector are usually well above the average. The base of construction job in an area also gives an indication of the dynamism in the area's economy. Since most growth is dependant on the area's infrastructure and the ability to accommodate business expansion with new construction and to modify existing structures.

The transportation and public utilities industries is also very close to the national average in percent of employment. This is another sector that pays good wages and is very viable in the region. The region is home to one of the largest carriers in the nation and also to two nuclear power plants.

	SIC	SIC divisions	NAICS* sectors	NAICS*
Agriculture, Forestry, and Fishing		01-09	11	Agriculture, Forestry, Fishing & Hunting
Mining		10-14	21	Mining
Construction		5-17	22	Utilities
Manufacturing		20-39	23	Construction
Transportation, Communication, and Utilities		40-49	31-33	Manufacturing
Wholesale Trade		50-51	42	Wholesale trade
Retail Trade		52-59	44-45	Retail trade
Finance, Insurance, and Real Estate		60-67	48-49	Transportation & Warehousing
Services		70-89	51	Information
Public Administration		91-97	52	Finance & Insurance
			53	Real Estate, Rental & Leasing
			54	Professional, Scientific & Technical Services
			55	Management of Companies & Enterprises
			56	Admin. Support, Waste Mgmt. & Remediation Service
			61	Education services
			62	Health care & Social assistance
			71	Arts, Entertainment & Recreation
			72	Accommodation & Food Services
			81	Other services (except Public Administration)
			92	Public Administration

*North American Industry Classification System

What is NAICS and how is it different?

When the first industry data is released for January data in March of 2003, the new data will be based on NAICS rather than SIC. Most labor market users are quite familiar with SIC (Standard Industrial Classification) system. The SIC system was developed in the 1930's as a measure of the nation's economy. The system has been revised nearly every ten years since that time, but it is still closely tied to manufacturing industries, as manufacturing represented nearly 50 percent of the economy at that time. The old SIC system not only emphasized manufacturing, but was also based on ownership rather than output. If a manufacturer owned a store, it might be included with manufacturing employment rather than retail trade.

Since the inception of the SIC system, the nation's economic base has changed from manufacturing to service based. Currently less than 14 percent of the nation's workers in nonfarm wage and salary employment are working for a business involved in the manufacturing process. About 24 percent of the workers in the Wisconsin Bay Area are employed in the manufacturing sector, almost double the national average.

This leaves a system that has its emphasis on only one fourth of its workers in the Bay Area, and less than one seventh of the nation's workers. The system does not provide sufficient detail for the now dominant service sec-

tor. Newly developed industries such as information services, health care delivery and even high-tech manufacturing can not be adequately analyzed under the SIC system due to lack of detail of a separate breakout at the industry level.

With the beginning of the North Atlantic Free Trade Association (NADTA) treaty, The United States, Canada, and Mexico began a collaborative effort to develop an industrial classification that would provide a common framework to measure industry data for all three countries. The new system established the following principles for the development of NAICS.

1. NAICS is based upon a production oriented framework
2. The system gives special attention to developing production oriented classifications for (a) new and emerging industries, (b) service industries in general, and (c) industries engaged in the production of advance technologies.
3. Time series continuity will be maintained to the extent possible.
4. The system will strive for compatibility with the 2-digit level of international Standard Classification of All Economic Activities of the United Nations.

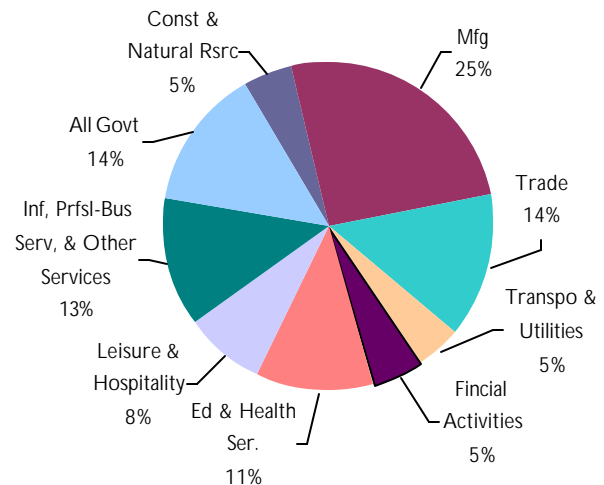
Like many of the other WDA's in the state of Wisconsin, there is a wide variety of industry that makes-up the region. In the southern portion of the Bay WDA, durable goods manufacturing is the predominant industry. The largest employer in the WDA is the Kohler Company in Sheboygan County. This employer makes up nearly ten percent of the county's jobs. Manitowoc County is also dominated by durable goods manufacturing. Nearly 40 percent of the jobs in these two counties are manufacturing. The two counties make up nearly 45 percent of the manufacturing employment in the Bay Area.

If you go further north, the importance of durable goods manufacturing begins to wane a bit and is over shadowed by non durable goods manufacturing, especially the sub sector of paper production. The second largest employer in the WDA, the Fort James Operation Company, now part of Georgia Pacific, is in the Green Bay MSA. Two of the 20 largest employers in the WDA are in the paper products industry located in Green Bay, although this industry is not just limited to Green Bay. There are also companies that produce paper products located in Marinette and Oconto Counties.

The paper industry has a long history in Northeast Wisconsin, and in many ways has helped to form the fabric of that area. The industry has been one of the largest in the region with a high number of workers and has generally has paid above average wages and benefits. This has helped in the development of other industries and amenities in the area. Currently this industry is in a period of transition. During the last seven years, the paper industry has contracted due to global competition, pulp prices, and over capacity, along with mergers and buy-outs. This has resulted in a decline in employment in the industry and in some cases plant closings. In the Bay WDA, Marinette County has probably been hit the hardest with layoffs in this industry, especially during the late 1990's. Most likely, this industry will not experience much growth in the near future, however, for the most part, it seems to be stable in the Bay Area for the near future.

An industry that is often overlooked in the area is the insurance industry. It is perceived as being a quiet small behind the scenes operation. However, the Bay WDA and Wisconsin as a whole has a very large stake in the insurance industry. The state ranks sixth in the nation in this category. The Bay area has several large employers and many small ones that provide employment to thousands of workers in the region. Some of the larger em-

Bay Area WDA NAICS Industry Distribution: 2002



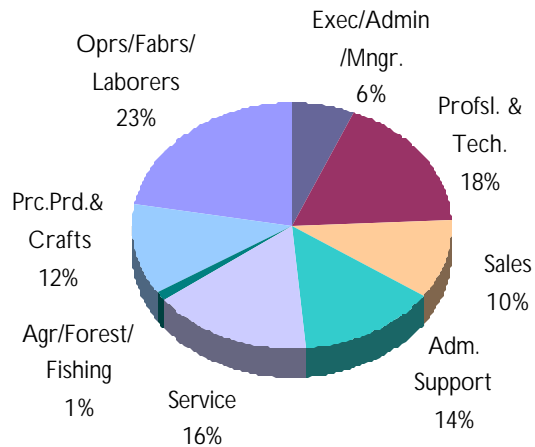
Source: DWD, Labor Market Information Section, ES-202, Jan. 2003

ployers in the area are Employers Health Insurance Company, the third largest employer in the Bay Area, American Medical Security also in Brown County ranked 14 in Bay WDA employment. Other employers of note in this industry are IDS in Brown County and Acuity Insurance in Sheboygan County.

One industry, while not actually being listed since it really affects several industrial classifications, is the tourism industry. Tourism affects the leisure and hospitality industry which is made up of hotels/motels, food services, theatres, golf courses and other recreational and entertainment facilities; and trade. Every county in the WDA is involved with this industry. It plays a larger role in some counties than other, but is still very important to most counties. Employment increases by nearly 25 percent during the tourism season in Door County every year, this amounts to nearly 3,000 jobs in that county during the June to September season.

The importance of specific industries to the Bay WDA varies by county. With the change from the SIC to NAICS classification we will be able to get a better picture of some of these industries within the region as NAICS will provide us a look at 19 major industry groups, compared to only 9 using SIC. Unfortunately, not all of this data will be available for every county. This is due to the small size of some counties and the number of employers that have volunteered to report is not large enough to overcome confidentiality issues required by the federal government.

Bay Area WDA Occupations in 2008



Each industry in the Bay Area Workforce Delivery Area is unique for the kinds of occupations within that industry. Some industries, like schools and restaurants, are common in nearly every community and many of the occupations in these industries are generally known to everyone. Any understanding of the occupational needs of an area begins with a good understanding of the industries and the occupations that are employed by those industries.

The US Bureau of Labor Statistics coordinates an annual survey of businesses to collect information on occupations in each state. The graph on the right is a summary of the occupation distribution in the Wisconsin Bay Area based on the staffing patterns in local industries.

Source: WI DWD, Bureau of Workforce Information, 2001

Occupations with the Largest Number of Annual Openings Due to Growth and Separations						
WDA5-Bay Area: Brown, Door, Florence, Kewaunee, Manitowoc, Marinette, Menominee, Oconto, Shawano, Sheboygan						
Occupational Title	1998-2008 Growth	Percent Change	Est. Average Annual Openings			Education and Training Typically Required(3)
			Growth	Separations(1)	Total(2)	
Cashiers	1,050	14.7%	106	310	416	Short-term on-the-job-training
Waiters & Waitresses	550	9.9%	55	306	361	Short-term on-the-job-training
Retail Salespersons	820	10.8%	83	257	340	Short-term on-the-job-training
Office Clerks, General	910	14.5%	91	174	265	Short-term on-the-job-training
General Mgrs & Top Execs	1,110	14.3%	111	136	247	Work exp. plus bachelor's or higher degree
Food Prep/Service Workers, Fast Food	340	9.6%	34	196	230	Short-term on-the-job-training
Truck Drivers, Heavy	960	14.1%	97	98	195	Postsecondary vocational training
Assemblers & Fabricators, NEC	830	15.0%	83	99	182	Short-term on-the-job-training
Food Preparation Workers	230	8.0%	22	158	180	Short-term on-the-job-training
Registered Nurses	880	20.7%	89	70	159	Associate degree
Teachers, Secondary School	500	19.6%	50	82	132	Bachelor's degree
Janitors & Cleaners	290	6.3%	29	100	129	Short-term on-the-job-training
Helpers/Laborers/Movers, NEC	240	7.4%	24	100	124	Short-term on-the-job-training
Hand Packers & Packagers	460	14.6%	46	78	124	Short-term on-the-job-training
Nursing Aides/Orderlies/Attendants	700	17.8%	69	55	124	Short-term on-the-job-training
Laborers, Landscaping/Groundskeep	610	31.3%	61	58	119	Short-term on-the-job-training
Bartenders	10	0.4%	1	104	105	Short-term on-the-job-training
Sales Reps, Mfg and Wholesale	330	11.8%	33	68	101	Moderate-term on-the-job training
Admin Support Supervisors	440	17.3%	44	57	101	Work exp. in related occupation
First Line Superv: Production/Operatin	150	5.1%	16	82	98	Work exp. in related occupation
Reception/Information Clks	460	17.9%	46	49	95	Short-term on-the-job-training
Marketing/Sales Supervisors	520	16.2%	52	42	94	Work exp. in related occupation
Carpenters	220	9.2%	22	64	86	Long-term on-the-job training
Teachers, Elementary School	250	9.4%	25	61	86	Bachelor's degree
Maids & Housekeeping Cleaners	400	17.6%	40	42	82	Short-term on-the-job-training
(1) Separations are an estimate of how many job openings there will be in each occupation due to people permanently leaving an occupation. Openings that occur due to people changing employers but remaining in the same occupation are not included. (2) Total openings are an estimate of how many new entrants are needed in the occupation. (3) Typically required means this is the most common way people are expected to enter the occupation. Other notes: Self-employed, unpaid family workers and work-study students are not included. Railroad workers are not included, except in WDAs 7 and 8.						

Source: WI DWD, Bureau of Workforce Information, 2001

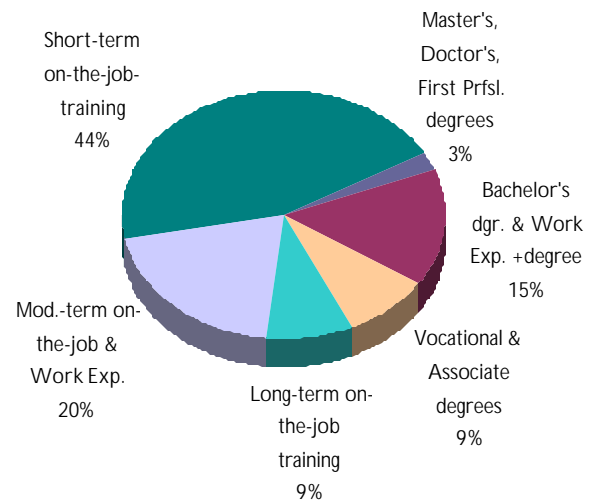
Some occupations are unique to a specific industry, such as nurses to the health care industry, other occupations are universal across most or all industries, an example of this would be clerical workers which are generally found in almost every industry. The Wisconsin Bay Area has a slightly higher percentage of jobs in the manufacturing sector than the state or national average. This means that the number of workers doing production related jobs will be higher than both the state and nation. However, growth in this industry has slowed during the last several years. This has led to higher growth rates in other occupations than the traditional jobs of the past and changes in the area's economy.

In the manufacturing industry, paper making probably stands out as being one of the largest and most important, with mills in Green Bay, Oconto and Marinette Counties. The southern portion of the region is dominated more with durable goods manufacturing, especially the Manitowoc and Sheboygan area. One industry outside of the manufacturing sector that is often overlooked in the region is the insurance industry. The Wisconsin Bay Area has several large insurance companies that have specific occupational needs. Actually this is an industry often overlooked in the State of Wisconsin, which ranks sixth in the nation in insurance. Each of these industries require different skill sets and training for its workers.

The occupations listed on the previous page reflect the industry blend that is specific to this area. Of the 25 occupations expected to have the most annual openings during the next six years, the majority do not require an advanced degree. Entry into nearly 80 percent of these occupations can be done through some form of on-the-job training. While the majority of these occupations do not require additional education beyond high school, some formal training may give an individual a competitive edge in obtaining employment in a given occupation.

Only 18 percent of the annual openings are expected to require a bachelor's degree or beyond during the next six years. This includes both new openings as well as openings due to turnover. At the present time this closely matches the Bay Area, where 18 percent of the population aged 25 and over have attained their bachelors degree or above. This indicates that our employment current needs and level of educational attainment are relatively in balance. Future graduates with bachelors or above degrees will find a competitive job market in the area, and may have to take other employment or

Annual Openings in Bay Area WDA

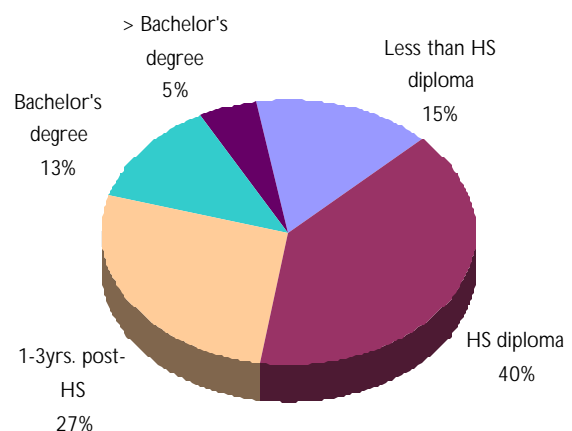


Source: WI DWD, Local Workforce Planning Section, 2001

possibly relocate outside of the area.

The 2000 Census indicated that 27 percent of the population has one to three years of post high school education. This includes short term training such as machine tool, nurse aide, associate degree programs, and some that have not completed a four year program. Many of the occupations that list medium to long term on the job training fall into this category. An example, would be apprenticeships, while the majority of this training is on the job, but it does have a segment of classroom training as a requirement. Most of the future jobs will require at least a high school education and many will include ongoing training throughout the workers career.

Education Attainment in 2000 in Bay Area WDA



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

- The Supply of Workers-

Bay Area WDA Population

The Wisconsin Bay Area comprises just over 11 percent of the state's population. Each area of the WDA, while part of the whole, is also a microcosm on its own. The size, make up and growth rate of the population of each county will vary from the state and WDA. This occurs in large part due to opportunities in employment, location to resources, proximity to transportation links, and other variables that affect population growth.

Since the 2000 Census, the population in the Bay WDA has grown at a slightly faster rate than the nation and the state of Wisconsin. However this faster growth rate has occurred in only four of the WDA's ten counties. The reason for growth, or lack of, varies in each county but would include job opportunities, amenities, as well as areas that would qualify as retirement destinations.

It should be noted that a larger percent growth rate does not necessarily equate to a large increase in the actual number of residents. Brown County is the most populous county in the WDA with 37 percent of the area's population. Although it ranked third in growth at 2.2 percent since 2000, the population increase in the county made up nearly one half of the total population increase in the WDA during the two year period. This was over

three times greater than the increase in the county with the next largest growth, which was Sheboygan County, the only other county in the WDA designated as a metropolitan statistical area by the federal government. If the growth rate of the WDA were calculated excluding Brown County, its rate would have been 1.6 percent, just below the state and national average.

The area's population has become more diversified over the last decade, especially in the last five years. During the 1980's there was a large infusion of immigrants to northeast Wisconsin. In the Bay WDA the majority of these immigrants were from Southeast Asia and located in Brown, Manitowoc and Sheboygan Counties, with smaller numbers going to other counties within the region. In the 1990's the area received another influx of people moving to the area.

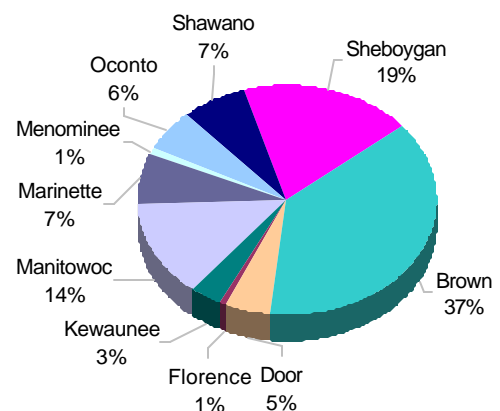
However the group that came during the last decade did not come from southeast Asia. In some ways they were more global in their homeland, ranging from South America, Central America and the Philippine Islands. While diverse in their place of origin, most share Spanish as a common language, although there are many differences in their cultures.

Total Population

	2000 Census	January 2, 2002 Estimate	Percent change
United States	281,421,906	286,200,000	1.7%
Wisconsin	5,363,675	5,453,896	1.7%
Bay Area WDA	599,791	610,720	1.8%
Brown	226,778	231,858	2.2%
Door	27,961	28,641	2.4%
Florence	5,088	5,187	1.9%
Kewaunee	20,187	20,487	1.5%
Manitowoc	82,887	83,925	1.3%
Marinette	43,384	43,804	1.0%
Menominee	4,562	4,595	0.7%
Oconto	35,634	36,811	3.3%
Shawano	40,664	41,273	1.5%
Sheboygan	112,646	114,139	1.3%

Source: WI Dept. of Admin.. Demographic Services. 2002

2002 Population Distribution in Bay Area Wisconsin

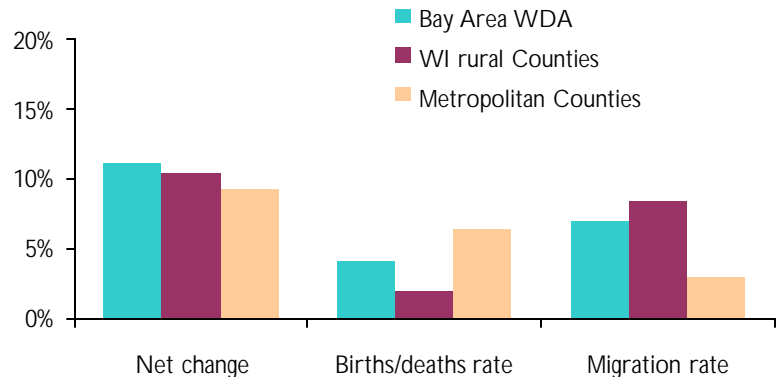


An area's growth is affected by economic opportunities that attracts new residents to migrate to the area and by the existing population's age and culture which affects the birth rate of the area. The graph at the right shows the impact of net migration compared to natural increase (births minus death) during the last decade. In the Bay WDA nearly 60 percent of the population increase came from people moving to the area. However, it should be noted that in the urban metropolitan counties the largest portion of the increase in population was from natural increase and just over 31 percent of the increase came from migration.

In the rural counties of the Bay WDA only 13.1 percent of the population increase came from natural increase while the remainder came from migration. This is due in part to the older population in the rural counties, many of who are past child rearing age. The two Metropolitan areas in the Bay WDA had nearly 48 percent of the population increase from natural increase. The higher percentage is due to a slightly younger and faster growing population than the more rural counties.

In the 1990's the fastest growing segment of the WDA's population has been in the 40 to 49 and the 50 to 59 year brackets. This is the baby boom generation as it makes its way through the labor force. The larger number entering these age brackets will be looking at retirement during the next ten to twenty years, and will be leaving a void for replacement workers in their wake.

Components of Population Change in Bay Area WDA Compared with other rural & metropolitan counties



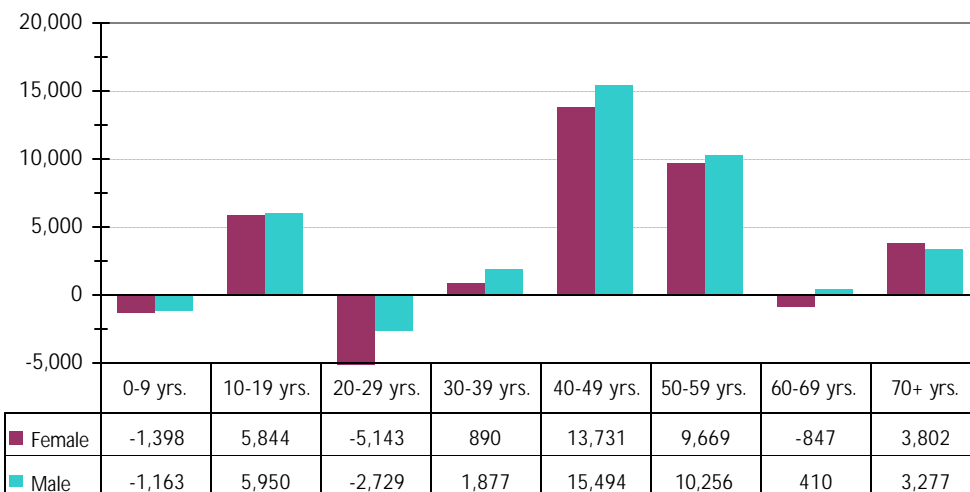
	Total increase 1990-2000	Increase from Births - Deaths	Increase from Migration
Bay Area WDA	59,920	22,020	37,900
WI rural Counties	162,770	31,627	131,140
Metropolitan Counties	309,136	212,060	97,079

Source: WI Dept. of Administration, Demographic Services, 2001

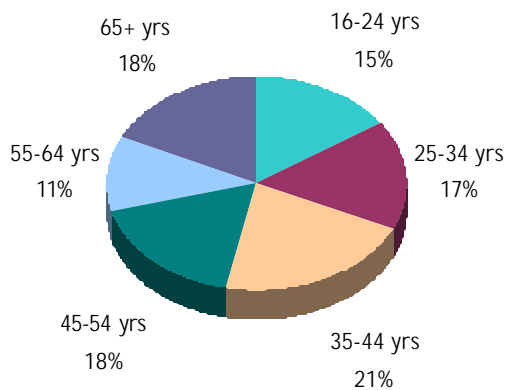
Not only will they be leaving the labor force, but there will be fewer replacements for them in the labor force. This is not just a regional problem, but a problem that is common throughout the United States. In most cases, the rural areas will be harder hit than will metropolitan areas where generally the population is younger and the birth rates are higher. But even the metropolitan areas are looking at a return to a labor shortage in the future as job expansion begins to outpace population and labor force growth. In most areas, where natural increase and net migration do not provide enough workers, the metropolitan areas look to the rural areas surround that surround them it for additional workers.

In some cases technology may provide some respite to fill in for a shortage of workers. New technology may increase productivity and reduce some jobs, but it may also create new opportunities and new types of jobs. This will require additional training and skills for workers.

**Population Change in 10-year Age Groups by Sex
1990 - 2000 in Bay Area Workforce Development Area**



Source: WI Dept. of Admin., Demographic Services, 2002

Bay Area County Labor Force Age Groups

Source: US Dept. of Commerce, Census Bureau, *Census 2000*

The ten county Bay Area WDA had 337,700 workers in its labor force in 2001. This was an increase of 2.5 percent from 2000 or 8,300 workers. In an ideal world growth in the labor force will generally match the number of new jobs created each year. During the late 1990's the growth of the labor force was less than job creation in the Bay WDA, causing record or near record low unemployment rates as many areas in the WDA dealt with labor shortages. The impact of labor shortages affects future economic development in some areas, as employers ponder the possibility of not having enough qualified workers for positions.

At that time, the percent of the labor force age population that was available for work was 73.4 percent. The labor force aged population includes the population aged 16 and above. Out of the 26.4 percent not in the labor force, is the population that is retired, not interested in working, in school, or unable to work. This leaves a very small pool of potential workers to tap. Not only is this a small percentage of available workers, but many may not have the specific skills needed by an employer.

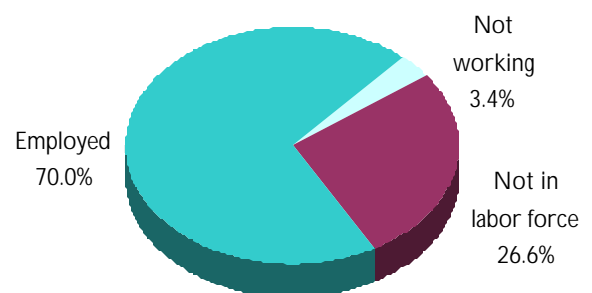
Unfortunately, the job growth rate has decreased dramatically during the last two years lessening the pressure for additional workers in the labor force. However, this trend should begin to change in the next several years as the economy reverses and begins to turn out a need for workers at a faster rate.

As the economy begins to improve, there most likely will be some differences in the make up of the labor market. At this time, manufacturing had the largest decline in employment with some counties losing almost ten percent

of their manufacturing jobs between 2000 and 2002. Some of these jobs will return as the economy picks up, while others may not, especially in instances where the business has permanently closed. It is important that communities in area try to project what types of businesses are expected to rehire, expand or move to the area. Then possibly begin to look at occupational training needs these firms will need in order to prepare dislocated workers to return to work or find new employment as the economy grows.

At the present time, the number of workers in the early years of their careers is comparable to the number of workers nearing the end of their careers. This should provide some continuity in replacing retiring workers during the next decade. This does not include new workers for an expanding labor force in the area, just enough workers for replacement. The change comes when the 35 to 44 year old group retires in the more distant future. It may be quite possible that there will not be enough workers to replace them.

Most likely to have enough workers to provide for replacement of retiring workers and to accommodate new businesses moving to the area, and for current businesses to expand here rather than in another area rather than relocate, we will need to look at workers moving to the area. This is usually easier for the larger metropolitan areas which attract workers due to better opportunities. However more rural areas will need to look at how to attract a higher percentage of a young population compared to a population at or near retirement.

Bay Area 2001 Labor Force Participation

Source: WI DWD, Local Workforce Planning Section, 2002